

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1551
ANSWERED ON:01.12.2006
RELEASE OF FUNDS UNDER APDRP
Ramadass Prof. M

Will the Minister of POWER be pleased to state:

- (a) The present mechanism for the early release of funds to State Electricity Boards/utilities under Accelerated Power Development and Reforms Programme (APDRP);
- (b) Whether any complaints regarding diversion of funds for other schemes has been received by the Union Government ;
- (c) If so, the details thereof; and
- (d) The action taken by the Union Government in this regard ?

Answer

THE MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) :For availing funds under investment component of Accelerated Power Development and Reforms Programme (APDRP), the project proposals are prepared by state utilities in form of Detailed Project Reports (DPRs) which are reviewed by Advisor cum Consultants

(AcCs) and then considered and sanctioned by the APDRP Steering Committee. Thereafter, Ministry of Power recommends to Ministry of Finance for release of APDRP funds. Central Government provides assistance as grant to the tune of 25% of the project cost for the up gradation and strengthening of sub-transmission and distribution system to Non- Special category States. Special category States (North Eastern States, Jammu & Kashmir, Himachal Pradesh, Uttaranchal and Sikkim) are entitled for 90% assistance in form of grants. The funds are released to the respective State Governments who are further required to release the funds to the concerned State Electricity Boards (SEB)/ Utility within a week of the said amount being credited to the State Government's account. Further release of funds depends upon the physical and financial progress of the projects sanctioned and meeting the other conditions as laid down under APDRP.

States desirous of availing incentive under APDRP for the cash loss reduction achieved by them are required to submit the incentive claims in the prescribed format to Ministry of Power along with their audited annual accounts. Ministry has appointed M/s Credit Analysis and Research Ltd. (CARE) and M/s. ICRA Management Consulting Services for scrutinizing the incentive claims. The report by M/s CARE and M/s. ICRA is scrutinized at various levels in the Ministry of Power and in case the claim is admissible, recommendation of the Ministry is sent to Ministry of Finance for releasing the incentive. The claim is again scrutinized by them before final release.

(b) to (d) : No case of diversion of funds by the State Governments/ SEB/ Utility has come to the notice of the Government of India.